

WV Health Innovation Collaborative
Lower Cost Work Group
Meeting Notes
November 19, 2014

People in Attendance: Jeremiah Samples, Jeff Wiseman, Amanda McCarty, John Moore, Barbara Wessels, Bob Whitler, John Earles, Dana Singer, Phil Shimer, Jerry Roueche, Dave Campbell, Phil Weikle, Brenda Nichols Harper, John Law, Verena Mullins, Roger Chaufournier, Christine St. Andre, Richard Wittberg, Penney Hall, Arnie Hassen, Renate Pore, Dan Foster, Perry Bryant, Ted Cheatham, Jean Kranz, Debbie Waller

Participating by Phone: Sarah Chouinard, Fred Earley, Carol Haugen

Jeremiah opened the meeting and introductions were made.

WVHIC Activities

- Better Health and Better Care Workgroups met on November 18th at 10:00 a.m. We will touch on some of the discussions from those workgroups.
- WVHIC Quarterly meeting is scheduled for December 4, 2014 at 2:00 p.m.

Presentations/Discussions

Jeremiah introduced Vicki Cunningham, Director of Pharmacy Services, DHHR. Ms. Cunningham will be sharing with the group information about Medicaid Pharmacy Benefits.

- Medicaid Reimbursement Methodology (approved by CMS as part of the State Plan:
 - ☞ AWP – 15% + \$250 for brands (would like to move away from AWP in the next couple of years).
 - ☞ AWP – 30% + \$5.30 for generics
 - ☞ Submitted Usual and Customary charge
 - ☞ State Maximum Allowable Cost
 - ☞ Federal Upper Limit (FUL)
- Omnibus Budget Reconciliation Act of 1990 (OBRA)
 - ☞ Requires coverage of all drugs produced by manufacturers that provided Federal rebates
 - ☞ Prospective and Retrospective Drug Utilization Review
 - ☞ Allows prior authorization as a management tool (helps control costs)
- Savings from OBRA
 - ☞ Medicaid makes money on federal rebates
 - ☞ Rebates collected in SFY 2014 - \$184,703,201
- Shared the top 20 Drugs by Numbers of Prescriptions and the top 20 Drugs by Cost
- Occasionally the overall cost for a brand may be less than for the generic. Medicaid payment to pharmacies is higher for brand and the overall costs after rebates is lower for brand

- Preferred Drug List – state legislation required and passed in 2002
 - ☞ 84 Therapeutic Categories – encompass 95% of program utilization
 - ☞ Additional rebates from manufacturers for preferred positioning on Preferred Drug List
 - ☞ Contracts are for Guaranteed Net unit Pricing or percentage discount of Wholesale Acquisition Cost
- PDL and Supplemental Rebates
 - ☞ PDL Legislation allows for negotiation of supplemental rebates, often with PA criteria for preferred drugs.
 - ☞ Allows flexibility for preferring certain dosage forms and brands, i.e., preferring capsules instead of tablets
 - ☞ Medicaid is a member of the Sovereign States Drug Consortium (SSDC), a purchasing pool owned by the member states, and negotiation for combined lives coverage increases supplemental rebates.
- Shared information on the Preferred Diabetes Supplies List which was implemented in January 2014. With the help of the SSDC, Medicaid negotiated for rebates on diabetes testing strips
- Discussed the State Maximum Allowable Cost Program (SMAC) – drugs included must have three manufacturers and encourages pharmacies to purchase wisely
- With the advent of specialty drugs, new ideas will be necessary for pharmacy program to remain viable. Trending-Specialty drugs will account for half the US healthcare drug spend in a few years
- Open Box Solutions (Transparency) – a decision-making framework that accounts for the key criteria on which plans construct their formularies.
- The Oregon Health & Science University, Center for Evidenced-Based Policy, has a Drug Effectiveness Review Project which focuses on specialty and other high impact drugs. Their reports help improve patient safety and quality of care while helping government programs contain exploding costs for new therapies.
- Shared the national Medicaid Directors’ letter to congress regarding federal purchasing, enhanced federal match, modify the “best price” policies for breakthrough to include the selling price in other countries, etc.
- Honesty and Activism
 - ☞ A National Formulary with an “above and below’ payment line for each therapeutic category – every company will have to “play nicely” or have no sales
 - ☞ Support for leaders in the movement , (DERP) to based decisions on evidence obtained objectively and independently
 - ☞ Education of consumers and healthcare providers
 - ☞ Engagement with legislators and expectations that healthcare providers have more influence that PhRMA
 - ☞ Transparency in contributions from PhRMA to legislators and healthcare providers

A question and answer period followed.

- Labeling issue on generics – huge cost drivers on the national level
- Need to find a way to pay for specialty drugs
- Lag time on rebates – up to 4 months
- 340b effective money savings for Medicaid – they bill at actual costs. \$8.25 dispensing fee

If anyone has additional questions for Vicki, you can contact her at directly at Vicki.M.Cunningham@wv.gov

Jeremiah thanked Vicki for her presentation and acknowledged her wealth of knowledge at the state and the national level.

Jeremiah introduced Dr. Dan Foster to update the group on the Choosing Wisely Initiative. Dr. Foster is the chair of Choosing Wisely in WV.

- The Choosing Wisely Initiative is a national initiative of the American Board of Internal Medicine Foundation and is geared toward ensuring that health care providers are providing the right treatments when necessary. Sixty-two Specialty Groups have joined the initiative and have each identified at least five tests, procedures or drugs in their area of expertise that have questionable value.
- Choosing Wisely has partnered with physicians, nurses, other health care providers, consumers, state agencies and payers.
- Working with Consumer Reports
- Sign up as an organization or an individual to become a part of the initiative.
- Doctors are giving antibiotics when not necessary. Physicians and consumers need educated.
- Will do high level training in DHHR County Offices.
- There are fact sheets available, flyers available on five things physicians and patients should question, etc.
- You can contact Perry Bryant or Dr. Foster to get more information on the initiative and to get brochures, fact sheets, etc.

Amanda McCarty and Arnie Hassen talked with the group about the State Health Improvement Plan framework.

They shared with the group a framework that has been presented to the Better Health Work Group and some changes were made to the document. After making the changes, this was presented to the Better Care Work Group and is now being shared with the Lower Cost Work Group. With no changes being made, this framework will be shared at the WVHIC Quarterly meeting on December 4th. It was asked if members could be sent the initial presentation that Amanda presented to the Collaborative regarding the State Health Improvement Planning process.

It was proposed that this be the framework for moving forward. What the health picture will look like in five years? This could be a discussion with the collaborative at some point with community input involved.

Next Meeting: December 17, 2014
2:00 – 4:00 p.m. (Please note time change)
One Davis Square, Suite 100 East, Conference Room 134